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High court boosts homeowner's suit over inspection

March 22, 2003

By ANNE WALLACE ALLEN

The Associated Press

MONTPELIER - A couple who was unhappy with an inspector's report about a 200-year-old house won some relief Friday from the state's highest court.

"We're very hopeful that this will lead to some kind of protection for consumers," said Sylvia Covington, whose husband, Paul Schmitt, sued Rutland inspector Richard Lalancette. "That's what this has all been about."

The case began in 1997, when real estate agent Ann Swanson showed Schmitt a house for sale in East Corinth. Schmitt asked Swanson to recommend an inspector, and she gave him the name of Lalancette, according to court documents.

In his suit, Schmitt said Lalancette's inspection failed to identify serious structural flaws in the house, and he held Lalancette liable for breach of contract. He also claimed Lalancette had colluded with Swanson - a violation of Vermont's Consumer Fraud Statute - by being motivated not to issue unfavorable reports that would prevent real estate closings.

Lalancette was motivated by a desire to continue receiving referrals, Schmitt said.

The case before the Vermont Supreme Court involved one aspect of Schmitt's suit: his attempt to get the names of other customers who were referred to Lalancette by Swanson.

According to the Supreme Court decision, Schmitt wanted to talk to the other

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homeowners to see if their inspection reports were accurate, and he wanted to determine if there was a pattern of serious problems being underreported.

The Superior Court in Chelsea denied Schmitt's request and issued a protective order preventing Schmitt from contacting Lalancette's former customers.

In its ruling Friday, the Vermont Supreme Court said the trial court had overstepped its authority to issue a protective order if it finds a good cause.

"This is not a situation in which any of the customers were protected by attorney-client privilege. There is no allegation of intimidation or abuse of the customers. The discovery sought was entirely routine," the decision said. "In fact, Schmitt had learned of one witness, Tyler Yandow, from public records because Yandow had filed a professional conduct complaint against Lalancette, and yet the trial court prohibited Schmitt from contacting him."

Vermont law on discovery "protects the manner in which parties have to make disclosures, or protects them from having to make the disclosures at all, Johnson wrote. "... but there is nothing in (the law) that implies that courts have the authority to prevent a party to litigation from conducting its own private investigation to identify witnesses or obtain desired information, without relying upon formal discovery."

The court ordered a new trial, with new discovery rights for Schmitt.

"Without having been able to contact the former clients, Schmitt has been unable to fully develop his case against Lalancette," the decision said.

Covington said Friday that she and her husband hoped the case would lead to more regulation of how home inspectors and real estate agents interact.

"There are other states that have laws in place for consumer protection around the issue of home inspections," Covington said.

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Home Inspectors Telling the Truth?

Kansas City, MO-- You would assume that an inspector is there to let you know the real condition of your potential purchase. But the person you pay hundreds of dollars to share his honest opinion may not be telling you the whole truth. "From the outside... great. It was so cute." That's what Carol Hawkins says she thought when she moved to the area, and picked what she thought was a dream home. Her realtor gave her the name of an inspector who Hawkins chose to look at the house, and file a report. Hawkins told Fox 4 News' Nancy Lewis, "There was not one thing, Nancy, on that inspection that said to me, woah.. you'd better not buy this house. Nothing. The whole front of it... okay.. this is okay... This is okay... It was just okay okay okay." Carol bought the home. Two weeks later, the city of Belton condemned it because of a red-tagged heater, sagging roof, and bad pipes. "A glorified cardboard box is what I was sold," says Hawkins. The report filed by a second inspector didn't find much of anything "okay" at the house. His inspection was twice as long as the original report. Hawkins says, "I bought the house based on what I thought was a solid, competent inspection. Had I known this was not a solid inspection report, I never would have bought that house."

Inspector, Norm Clark, says that happens all too often. The reason, he says, is twofold. First, Clark says is lack of training. Half of the states in the U.S. require inspectors to be licensed. Kansas and Missouri do not. A bill was introduced in the Missouri House two years ago, but failed. There is a voluntary licensing, the American Society of Home Inspectors. Those who join ASHI have to pass a competency test, and have to take twenty continuing education hours each year. But Clark tells Fox 4 there's a second reason inspections go wrong. He says, "So many of my compatriots out here have a dual loyalty, which puts them somewhat in conflict." It's true, says an unnamed source, who still works for an inspection agency. He learned on his last job the Inspector-Real Estate Agent bond is often close. Too close. "Absolutely. It's a marriage. It's a relationship that the two have. You give me good reports, and I'll give you business," he says. Bad inspections are what some agents call deal breakers. "Well, if a realtor gets a real lengthy inspection report and they don't like the wording they contact the company and say could you change the way this is worded. We don't like the way this is worded because it could cause our deal to fall through." He tells us inspectors who quote, "play the game," stay on those agent's lists, boosting their business.

Inspector Norm Clark says working with agents is the norm, but it's not the way it should be. Clark says, "I'm not here to protect the interest of the realtor, I'm not here to protect the interest of the mortgage holder I'm only here to protect the interest of the buyer." Clark tells Fox 4 he's so serious about that, he's joined the Independent Home Inspectors Association. There are only seven members in the Kansas City metro. Those who join have to put in writing that they will not solicit referrals from real estate agents. Clark says, "I don't play the game that way." Currently Massachusetts is the only state where agents are prohibited from recommending inspectors by law.

Carol Hawkins says she wishes she would have known all this before she bought, but she was lucky. In response to a letter from her attorney, the realtor and owner gave her money back. Now she's in a new home. A home

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that was inspected by someone licensed. And someone she chose.. on her own. Carol Hawkin's inspector still claims he did an adequate inspection. Her realtor says she gave his name because she thought he was qualified, and says she'll never give his name out again.

If you'd like to find out which local realtors are members of that independent inspectors' assn., you can log onto the Independent Home Inspectors of North America website at www.independentinspectors.org or the American Society of Home Inspectors at www.ashi.com or call them at (800) 743-2744.

Representative Bill Boucher originally introduced that inspector licensing bill, he's no longer in the house. So Fox 4 talked with Rep. Mike Sager from Kansas City. He tells us he will re-introduce that inspector licensing bill next session.

Nancy Lewis, Fox 4 Problem Solvers
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Helter Shelter

June 1, 2006

License to Deal

New home inspection law is akin to putting a casket dealer in charge of your medical care

by **Walter Jowers**

In the coming weeks or months, home inspectors will be licensed in Tennessee. This will come as a surprise to a lot of people for two reasons: first, most people who think about home inspectors at all assume home inspectors have always been licensed; second, if you call a home inspector today and ask if he's licensed, he'll probably say yes. That's because he either wants you to believe he has a Tennessee home inspector license (which he doesn't, because it doesn't exist yet), or he's talking about his business license, which certifies no expertise in anything.

Anyhow, it's a good thing that home inspectors are getting licensed, isn't it? If home inspectors are going to be running around telling people what's wrong with houses, they need to be educated and ethical people, don't they? Surely Tennessee's home inspector licensing law was created by consumer advocates to protect the home-buying public, wasn't it?

Well, no. It was created by lobbyists for Tennessee's real estate brokers, so the brokers will have more control over home inspectors and can make more money faster, with less interference.

Not that there's anything wrong with that. Well, except that it's a lot like putting the people who sell caskets in charge of your medical care.

But don't take my word for it. I'm on sabbatical from the home-inspection business right now. I'm watching the home-inspector licensing game from the bleachers. So I asked some home inspectors from other states what they think about home-inspector licensing laws.

Best I can tell, Tennessee's proposed home-inspector licensing law is similar to laws passed in other states, in that candidates here will have to pass an easy exam, get some basic continuing education and pay small fines if they get caught screwing up. If you want to be a home inspector in Tennessee, rest assured: if you've got a thimbleful of brains and you're not obviously psychotic, you're in.

A former president of the American Society of Home Inspectors, Larry Hoytt owns Hoytt Inspection Services in Novato, Calif. Right now, California home inspectors aren't licensed. Here's what Hoytt thinks about licensing: "I think the public has an unrealistic expectation that a license...is equated with a qualified person. A license only means that the person was able to pass some sort of lowest-common-denominator exam. The educated public (should) look for a higher form of credentialing."

Closer to home, Bill Loden, who runs Insight Professional Home Inspection in Madison, Ala., offers this: "If the goal of licensing were to protect the public and create a professional standard of care...licensing could be a good thing. The public expect [licensing], just like they expect seat belts in their cars. They just don't know that the 'seat belts' of home inspector licensing are [no stronger than] crime scene tape."

Loden says that if he were advising a friend or family member on how to choose a home inspector, he'd tell them not to pick a home inspector just because he has a license. "Look at his education. Look at one of his reports. Ask for references."

Meanwhile, Nashville attorney Jean Harrison, who has represented many plaintiffs in a lot of house-and-home disputes, says, "Compare licensed home inspectors to licensed contractors. The contractors still manage to get in plenty of trouble."

Until the dust settles on the field of licensed home inspectors, Harrison offers these warnings to folks who'll be hiring newly minted home inspectors: "It's a sea of sharks. The banker, the home inspector and the real estate agents are not your friends. Don't pick a home inspector out of the phone book, and don't let anybody else pick your home inspector for you. Make sure you're doing business with reputable professionals."

I'm going to agree with Harrison, and offer two little pieces of inside information: nationwide, somewhere between 60 and 90 percent of all home inspector referrals come from real estate agents. That means a typical home inspector can't stay in business unless he pleases those real estate agents by helping their deals along. If you're thinking about hiring the real estate agent's favorite home inspector, ask yourself this question first: "Would I trust this real estate agent with a half-million dollars?" If the answer is yes, take the agent's recommendation. If the answer is no, find your own home inspector.

One unusual thing about the Tennessee licensing law is that it requires every home inspector to have error-and-omissions (E&O) insurance. That'll give every disgruntled client a free reach into the inspector's insurance. If you're a real estate agent, the good news is that the inspector's E&O will keep you safe from claims against your insurance. (Golly, I wonder if that's why the lobbyists wanted the E&O to be mandatory?)

Truth be told, I don't know how home-inspector licensing will end up. There could be a miracle downtown, and the public servants who mind the home inspectors might seize this opportunity to make Tennessee home inspectors the best and brightest in all the land.

Or this little bit of language from the Tennessee Home Inspector License Act of 2005 might be ironic foreshadowing: "The commissioner may take disciplinary action...when a licensee [engages] in a course of lewd or immoral conduct in connection with the delivery of services to clients...."

I wish I could tell you I made that up. But I can't. It's the law, bubba. Somebody's going to get screwed.

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Article published Nov 19, 2005

Hire a tough, experienced home inspector

Q There's a home inspection subject you've touched on from time to time but have never fully addressed: the problem of Realtors who won't recommend the best home inspectors.

I've inspected homes in the Midwest for more than 15 years and have performed in excess of 7,000 inspections. My reputation for thoroughness is widely known among local real estate agents, but this has not been good for my business. Instead of referring me to their clients, most agents have labeled me as a "deal killer."

The inspectors they prefer are not nearly as experienced or qualified, and tend to miss many of the defects that I routinely include in my reports. The home buyers and investors who read your column need to know about this unethical practice. So how about taking it on? -- John.

A You raise the most controversial of all home inspection topics, the one that stirs ire among veteran inspectors and that draws defensive reactions from real estate professionals everywhere.

The very idea that agents are the primary source of home-inspector referrals is a clear and obvious conflict of interest. Yet most home buyers never seem to give this a thought. They simply hire the agent's favorite inspector, without asking if this is the best one available.

The dilemma for agents and brokers is obvious: they make money when transactions are closed. Transactions close when buyers are satisfied with the condition of the property. The best home inspectors find more of the conditions that raise dissatisfaction. Less experienced inspectors don't disclose as many of these conditions, posing less risk to the agent's income. For many agents, the temptation to recommend a less-thorough inspector is too great to resist. When temptation prevails, the lesser inspector becomes the agent's choice, while the thorough inspector is written off as a "deal killer."

But what exactly is a deal killer? The name itself suggests someone who routinely causes deals to fall through. That would be a fair description of an inspector who reports nonexistent problems or who describes defects in an alarmist fashion. But inspectors of that kind are rare. The deal-killer epithet is more commonly applied to those with the greatest ability to discover problems in a home.

Once an inspector has been branded with the "DK" label, the disrepute spreads like cheap gossip through the grapevine of local agents. When new agents join a real estate office, they are advised by the veteran agents not to use Inspector X, because of his deal-killer status.

Eventually, no one who does business with that real estate company has the benefit of the best inspectors available.

Some agents whitewash this exclusionary process with a clever sleight of hand. Rather than recommend a particular inspector, they produce a list of local inspectors and advise buyers to make their own selection. If undisclosed problems are discovered after the sale, the agent can deny having chosen the inspector. By sheer coincidence, however, the agent's preferred inspector is conveniently placed at the top of the list, hints are dropped as to which inspector is the best choice, and so-called "deal killers," in most cases, are absent from such lists or are added for good measure at the bottom.

Is this the common practice of all agents? Absolutely not. Is it the practice of many? Absolutely. So what is the solution? Essentially, there are two answers: one for agents and one for home buyers.

Agents should realize that they are not in the business of selling property. If that were the case, their title would be "salesperson," not "agent." The proper job description of agents is "representing the best interest of clients." The highest expression of true representation is to provide total, complete and unabridged disclosure. When a buyer asks an agent to recommend a home inspector, the actual question, regardless of how it is stated, is, "Who is the best home inspector available?" Agents who recommend someone they do not regard as the best are not representing the client's interests and are thereby guilty of misrepresentation.

If the ethical commitment to a client is not sufficient motivation to recommend a quality inspector, agents should consider the matter of personal liability. Every defect that is overlooked by a marginal inspector is a potential lawsuit at some time in the future, and such suits are commonly filed against agents who compromise the interests of their clients.

Finally, when you buy a home, practice due diligence. Trust others for suggestions. Trust yourself for decisions and choices. Your agent may be one of the truly honest professionals who recommend only the most thorough home inspectors. But you don't know that for sure. So compare the qualifications of inspectors. Ask who are the most thorough, most experienced, most qualified home inspectors in the area. You might even come straight out and say, "I want the one they call Deal Killer."

E-mail your questions or comments to asktheinspector@charter.net. For more information on home inspections, visit Barry Stone's Web site at housedetective.com.

PREPURCHASE BUILDING INSPECTION
You get what you pay for

(This magazine article is about the current state of the
prepurchase building inspection field in Montreal, Canada.)

By Morris Charney
Architect and Building Inspector
February 24, 2004

Why have a property inspected?

Do it in order to be an informed consumer. To have a better idea of the value of what you are buying. True value is appraised market value less the cost of bringing the property into a good state of repair. The purpose of a prepurchase building inspection is to reveal apparent defects - knowing what the apparent defects are makes it less likely that you will discover hidden or latent ones after you move in or take possession. It is too expensive to sue a vendor for latent defects. Preventive medicine makes more sense. New properties, new construction require prepurchase inspections not only older properties. Inspecting new construction is more difficult than an older property - symptoms or problems have not manifested themselves as yet. A building which is not used has not proven itself. Then again, you may be amongst those who believe in the romantic approach - buying blind, taking one's chances, etc, "I never had my husband checked out when I got married so why fuss over the house. Let fate take its course." Young romantics who do not care about money (especially if their parents are helping them) may not need a prepurchase building inspection. It is their choice. A poor inspection may only give you a false sense of security.

Realistic expectations: What constitutes a good inspection?

A prepurchase building inspection should communicate in the most effective way possible what are the important (costly) repairs a purchaser should expect in regard to apparent defects. It is important to provide the cost of those repairs so that their significance becomes clear. However, a prepurchase building inspection is not a detailed or exhaustive expertise. It is more of a summary report. It is done within a couple of hours. On the other hand, it should not be a checklist. One should not be presenting a "reference book" involving hundreds of pages. Those books are like a maintenance manual. It is like giving someone a dictionary to write a letter. In such cases the communication is meaningless. Checklists are too vague, too subject to interpretation. The inspector should state his key observations simply and clearly, first verbally and then in written form if it is required. Clear photos of defects are even easier to understand (worth 1,000 words etc.). The text should be a narrative of what the major defects are - not descriptive, not an inventory of what is there. It is worthwhile knowing how urgent the repairs are and what the cost of doing the work is. Being able to provide the names of competent, reliable contractors who can do that work is useful. I do not believe providing names is a conflict of interest. It is in keeping with fostering excellence and promoting good work. It shows that the inspector is in contact with the trades and has been responsible for supervising the execution of work. It shows the experience. Recommend tradesmen for the quality of their work not because they are cheap.

The key qualities to look for in an inspector are competence (usually comes with experience) and ability to do diagnostic work. Not everyone is good at diagnostic work. One also has to have good equipment. This is the electronic age. It would be ridiculous to be recommend someone who is not good at finding defects which usually means someone thorough, meticulous and detailed oriented. I find it remarkable that real estate agents keep recommending the most incompetent inspectors - those that hardly find any defects - the same people over and over again - for decades, mostly based on their minimal fees. The best way to overcome this is by choosing inspectors who work independently of the real estate industry. When I taught

building inspection at the university level to practising architects or engineers (continuing education course) I would mention that one should have at least 10 years of renovation experience under one's belt before attempting to do a prepurchase inspection. A lot of experience is needed to be able to read symptoms easily and quickly. The work is not easy. You get your hands dirty. You have to be willing to get into crawl spaces and attics. One should be using and be familiar with all the latest electronic devices to assist in this task.

The real estate industry is too involved – conflict of interest:

Unfortunately most of the architects and engineers I taught over the years are not doing prepurchase building inspections any longer. Individuals recommended by real estate agents - inspectors who do very superficial jobs for very little money, have priced them out of the market. The problem for years has been the interference of the real estate industry in the inspection business - recommending who should be doing an inspection to the purchaser and trying to dictate the contents of a report by virtue of clauses put in the offer to purchase. It is a sad reflection on the state of affairs when most prospective buyers call up and the first question they ask is, "What do you charge?" It is rare that someone will ask, "What are your qualifications?" Sometimes the amount of money charged is the only question they ask. What incentive is there for an inspector to work hard to find defects if he is paid on a fixed fee basis. This work should be done on an hourly basis - one should feel the mandate is to find the defects not to do a quick once over survey.

Last week I listened to an interview of Mr. Nadeau on the CBC. He is the lawyer representing the Association of Real Estate Agents (l'Association des courtiers et agents immobiliers du Québec). The interview was in regard to their lobbying the Quebec government together with the Association of Building Inspectors of Quebec to have all prepurchase inspectors "certified". There was also an interview in La Presse (February 21, 2004) on the same subject. Mr.

Nadeau was complaining of the poor quality of prepurchase inspections. He gave an example of an inspection that only lasted a half hour. I could not help asking myself, "Was this an inspector recommended by a real estate agent?" Most of them, usually are. Purchasers who call me in regard to "hidden defects" (i.e. pursuing a vendor through litigation) will inevitably mention that the prepurchase inspection was done by an inspector recommended by the real estate agent. These recommended inspectors on lists which the agents turn over (or mention verbally) represent a major conflict of interest. The inspectors on the list were not chosen because they have the best qualifications or are the most competent. They would not make it on their own without the referrals of agents - and you do not bite the hand that feeds you. Agents want sales to go through. They do not like meticulous reports that reveal too many problems. For decades I have been enduring the insults of agents who refer to me as "the troublemaker" or "the deal breaker" - until I discovered through the IHINA (Independent Home Inspectors of North America) website that the real estate industry has singled out people like myself throughout North America. Every major city has inspectors with the same designation as myself. Denis Robitaille of Boston has formed this association. Massachusetts is one of the first states to make it illegal for real estate agents to recommend building inspectors. I have always been of that opinion. It is disheartening to see the Quebec Association of Building Inspectors (l'Association des inspecteurs du bâtiment du Québec) teamed up with the Quebec Real Estate Board (l'Association des courtiers et agents immobiliers du Québec) in their desire to improve matters. The real estate industry has its own interests to serve. Their constituency are the real estate agents - it is not the consumer. In the last 10 years the formulas they were using for offers to purchase began changing. For decades, offers to purchase had a clause which simply said the offer was conditional on a satisfactory building inspection (i.e. the purchaser had to be satisfied with the results of the prepurchase building inspection report). Over a period of years the wording in these "standard" offers to purchase started changing on a regular basis. The consumer hardly even paid attention to these clauses. Key clauses were rewritten. At first they indicated that a major defect is necessary to

render an offer null and void - but then the word "major" was never defined. It was stated it could not be superficial. I recall a court case regarding a claim for a hidden defect by a single mother. She explained to the judge that the \$500 repair for a foundation crack was major for her with her limited budget even if it may seem like an insignificant amount to others (she won her case). In fact, it is very difficult to define the word major. Take the example of a purchaser who suffers from MCS (multiple chemical sensitivity) who may have a whole series of major concerns. These can never be defined beforehand in a standard offer. Every purchaser has their own list of major concerns and budget restrictions that cannot be predetermined. In the last 5 years or so, the real estate industry introduced another requirement in their standard offer to purchase forms - "If the inspection should reveal a significant defect then a copy of the inspection report has to be turned over to the vendor." That opened up a new can of worms - without improving the quality of prepurchase inspections one bit. Now we have vendors in addition to purchasers trying to understand the inspection report. It is a difficult enough task just to get a purchaser to understand the problems. Most vendors are somewhat hostile to prepurchase inspectors and not inclined to read and understand what is wrong with the house they are trying to sell. Let me relate how ridiculous and counterproductive that can become from my own experience at one house. It involves a large expensive home I inspected where I reported a substantial amount of repairs were needed. The vendor was a lawyer. When the offer fell through because the purchaser was not satisfied with the results of my report the vendor sued for the difference between the accepted offer and any future offer he should accept, claiming I had exaggerated the repair costs as outlined in my report. Eventually the house was sold but for substantially less than what my client had offered and I was sued for the difference. However, the new purchaser spent three times what I had estimated in repairs so it blew the lawyer's case out of the water. The matter was dropped. The lesson to be learned - this was undue interference from the vendor in the purchase process based on a biased interpretation of my prepurchase inspection report. A purchaser should not have to justify the contents of a prepurchase inspection report. There should only be one client - the purchaser.

I do not believe disclosure laws, which is also being recommended by the Real Estate Board, is the answer. California has such a law. I have done inspections there. I found the disclosures are subject to interpretation and even misleading. It may provide more work for lawyers which is not helpful.

The legal aspect: The “new” Civil Code of Quebec, deregulation

I blame the current mess we are in not on the lack of competent or qualified professionals but on the fact that they cannot be induced into doing prepurchase inspections - they have been priced out of the market. Instead of the older experienced architects and engineers we have young inexperienced technologists and contractors. A major contributing factor to the deterioration is the “new” Civil Code of Quebec. Up until it changed, excellence was being promoted by those doing prepurchase inspections in that the jurisprudence was that you should hire an expert – “caveat emptor”, “buyer beware” (Ref. Prof. John W. Durnford, “What is an apparent defects in the contract of sale?” (1964), McGill Law Journal, 68-84). The new code that came out in 1994 had the impact of deregulation – in particular article 1726 defines an apparent defect as one “that can be perceived by a prudent and diligent buyer without any need of expert assistance.” That opened up the field to anyone and everyone. I now look at it as a “make work project” for lawyers. It has not helped the consumer but it certainly made work for lawyers.

It has become too expensive for most homeowners to go to court - too much of a monetary risk. Lawyers are expensive, the cost of an expertise - a detailed litigation-type report - is expensive.

The fact that Small Claims court was increased to \$7,000 encourages some consumers to sue using that method (no lawyers involved). However, the outcome is never certain. Preventive medicine is still less expensive – pay for a thorough prepurchase building inspection – that is the key.

Order of Architects of Quebec - Stopped encouraging that kind of activity:

Well-intentioned clients frequently ask me when I intend to get back to practising architecture. I consider prepurchase building inspections practising architecture. It is a worthwhile and noble task. It is helping the ordinary consumer – the public at large.

When the Order of Architects started self-assuring about 9 years ago they looked at prepurchase building inspection as being a high risk activity. Memos were sent out to all the members in that regard – mentioning cases involving claims and losses etc. Premiums were increased and it was made clear that this kind of work is not being promoted. Norms were recommended which were being used by the Canadian Association of Home Inspectors - ones which I considered superficial - like checklists and operating with lots of disclaimers, etc. Most architects began thinking twice about doing prepurchase inspections. The technologists began moving into the field in greater numbers, especially after they formed their own professional order. I always considered architects as being GP's (general practitioners) and engineers as being the specialists. It was rare that engineers followed all aspects of residential construction from design conception to interior layout. In fact, when I started to do building inspections at CMHC in the summer of 1961, I worked in "the division of non-engineered structures." It was rare for architects let alone engineers to be involved in residential construction in Canada at the time. We now have university courses teaching building engineering which almost sounds like a generic term. Many of these young graduates go directly into prepurchase inspections as a start out activity. They do not have 10 years of

trying to plan and supervise renovations or new construction. I believe all architects should be doing inspections so as to get firsthand feedback as to how well their designs are doing – knowing the problems of the consumer would help them in their design.

In the pursuit of excellence, professionals doing prepurchase building inspections should be encouraged to accept liability for their work. They should be signing their own name. That is what being professional is all about.

Contents of reports - operating with disclaimers:

I consider the typical inspection report done today as being more of an inventory (a list of what is there) than a diagnostic effort (assessment, determination, recommendation). There are so many disclaimers that one wonders what liability is being assumed. What is the point of error and omission insurance if you are going to operate with so many disclaimers? The Canadian Association of Home Inspectors excludes comments about building codes. That is an essential part of a prepurchase inspection. The building code is updated every 5 years. It is concerned with matters of health and safety. One should always be explaining the shortcomings of a property in terms of current codes. I have always considered matters of health, safety, the environment and air quality as being among the most important aspects of an inspection. I bring the necessary equipment to each prepurchase inspection. To assess a property in terms of the code for the year in which it was built is nonsense. I live in a house that is 100 years old. I do not live with the standards of 100 years ago.

It is ridiculous to refer technical components of a building such as plumbing, electrical, mechanical, fireplaces and stoves to other specialists. That is not doing a prepurchase inspection. That is glossing over it - doing half a job.

As mentioned earlier, providing estimated costs - even if they are only ballpark numbers - and names of competent tradesmen for difficult repairs jobs gives some meaning to the report.

Summary checklists, in my opinion, constitute the worst type of prepurchase inspection report, especially when there are 6 or so checklisted pages interspersed in a large 100 page reference book. The information is too vague, too minimal. It is difficult to discern any clear recommendations - the "bottom line" page seems to suggest that everything is about average. Overall assessments, generalized statements are meaningless. Oversimplifications create false impressions. It is like a real estate agent's typical remarks, "But will the place collapse? Is it not sound?" while you are trying to explain some problem in regard to the roof or the mechanical system. The structural aspect of a building only represents about 20% of overall costs.

A short report of a few pages that clearly states what the defects are and what it would cost to repair is still the best kind of report.

Promoting excellence - raising the standards - accreditation:

Encouraging consumers to shop around for the lowest price is counterproductive. Architects or engineers who do prepurchase inspections should be charging their normal hourly rate (based on years of experience). It would mean costs of reports would double (\$300 vs \$600, \$600 vs \$1,200). Those inspectors who are competent, those who have a lot of experience, should be able to charge more. The current rate of \$300 to \$500 is too low.

Accreditation already exists via the Order of Architects, Order of Engineers and the Order of Technologists.

I doubt the Government is going to recognize yet another profession - another professional order. It is a long process requiring unnecessary training. The Quebec Association of Building Inspectors is in no position to become another profession.

The APCHQ, the ACQ offer a new home warranty programme involving inspection. The problem with those inspections is that the consumer is lead to believe these organizations are governmental bodies, which they are not. The contractors and developers have created these organizations and they serve their interests. Their inspectors are not objective. In my experience they have always sided with the builder for the expensive repairs, perhaps agreeing on a few minor repairs to safe face. They are incapable of resolving serious deficiencies that require intervention. Whenever I have gone to court as an expert in regard to claiming for deficiencies at new houses, the APCHQ or the ACQ were on the side of the builder/defendant.

Looking at the yellow pages in the phone book we see advertisements from inspectors that they are accredited by consumer associations, the CAA, members of the Quebec Association of Home Inspectors. None of those accreditations or memberships carries any legal weight. It just confuses the consumer. The word is being misused.

Prepurchase inspections have become (by and large) weak and ineffective reports. Nothing will change (improve) until the consumer begins to appreciate the value of a good inspection report. For the time being the cost seems to be the determining factor. The greatest influences have been the real estate industry (with their control over the offer to purchase forms) and the legal profession through the deregulation that came with the new Civil Code supposedly, purchasers can do an inspection if they are prudent and diligent.

Survival In The Home Inspection Business

By

Michael Del Greco, President of Accurate Inspections, Inc.

In 1993 I graduated a home inspector training program and went into business. I soon found that survival in the home inspection business required a home inspector to choose one of the following two paths:

1. Knowingly be unethical and under report issues or gloss over major problems in order to obtain continued referrals from unethical real estate sales people. This method requires virtually no marketing efforts or expense. It is a cheap way to make a great amount of money in a short period of time. After a few years the claims start coming in, errors and omissions insurance gets canceled, sleep gets lost over the impending law suits and claims, phone messages are not returned because the inspector knows or fears they are complaints, the home inspector's license then gets suspended (in the few states that require insurance) due to the lack of insurance, pressure mounts, bankruptcy is declared and former clients get stuck defective houses with no compensation for the flawed house inspection.

For a few years an unethical home inspector could make a fortune by dealing with fellow unethical people, which in turn harms home buyers and destroys the integrity of honest home inspectors. Inspectors who choose this path must be on the lookout for former clients and client's attorneys.

2. An inspector can take the honest professional business approach by telling clients what they need to hear. This drastically increases marketing efforts and expenses costs which must be passed on to clients. Clients must be made aware of the reason for the additional costs and why the benefits they will obtain outweigh the additional expense. The long term benefit is that the ethical home inspector will still obtain some referrals from ethical sales people and a lot of referrals from previous clients. Clients will pay a little more for the inspection however; they will save huge amounts of money. Short term savings will occur during negotiations with the seller and long term savings will be realized since problems with the home would have been disclosed and remedied earlier.

By choosing an inspector who is a member of the Independent Home Inspectors of North America (<http://www.ihina.org/>) consumers can be confident they are dealing with an inspector who chose the latter method of conducting business. The inspector they hire is working for the client (buyer), not the seller or agent. The inspector they hire will be well rested because he/she can sleep at night with a clear conscience.

Home Page: www.AccurateInspections.com



MICHIGAN ASSOCIATION OF HOME INSPECTORS, INC.

STANDARDS OF PRACTICE 2006

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1. Purpose, Scope and General Statements

- 1.1 The Standards of Practice provide the minimum standards of performance for a written report on a residential home inspection performed by and for the exclusive use of members of the Michigan Association of Home Inspectors, Inc. Use of the Mich AHI logo and name is limited to those persons holding the designation of Regular Member. Associate, and Affiliate Members may use specifically designated logos in advertising.
- 1.2 The Standards define and clarify the purpose, conditions, limitations, exclusions, and certain terms relating to an inspection.
- 1.3 The Standards describe those items, components, and systems included in the scope of an inspection.
- 1.4 The Standards are limited to the inspection of buildings from one (1) to four (4) dwelling units.
- 1.5 The Standards apply to a visual inspection of the readily accessible areas of the specified items, components, and systems to determine if, at the time of the inspection, they are performing their intended function without regard to life expectancy.
- 1.6 The purpose of the inspection is to identify visible defects and/or conditions that, in the judgment of the Inspector, adversely affect the function and/or integrity of the components and systems.
- 1.7 Inspections performed under the Standards of Practice are primarily visual and rely upon the opinion, judgment, and experience of the Inspector, and are not intended to be technically exhaustive.
- 1.8 Inspections shall be performed in a time period sufficient to allow compliance with the provisions of the Standards of Practice.
- 1.9 Inspections performed under the Standards of Practice shall not be construed as a compliance inspection of any code, governmental regulation, or manufacturer's installation instructions or procedures. In the event a law, statute, or ordinance prohibits a procedure recommended in the Standards, the Inspector shall not be required to adhere to the prohibited portion of the Standards.
- 1.10 Inspections performed under the Standards are not an expressed or implied warranty or a guarantee of the adequacy, performance, or useful life of any item, component, or system in, on, or about the inspected property.
- 1.11 Detached building(s) and detached garage(s) located on the property will be inspected under the Standards only if specifically listed in the inspection report.
- 1.12 The Michigan Association of Home Inspectors recommends that its members perform inspections in accordance with these Standards, the Code of Ethics, and applicable law(s). The Standards are not intended to limit members from performing "additional inspection services."
- 1.13 The inspector shall report on any system and component included in these standards of practice, which were present at the time of the home inspection. Major systems not operable at the time of the inspection are excluded.

2. General Limitations and Exclusions

- 2.1 Inspections performed under the Standards exclude any item(s) concealed or not readily accessible to the Inspector. The Inspector is not required to move furniture, personal, or stored items, lift floor coverings, move attached walls, ceiling coverings, or panels, or perform any test(s) or procedures(s) which could damage or destroy the item(s) being evaluated.
- 2.2 The following items are excluded from the scope of the home inspection: appliances, recreational facilities, alarms, intercoms, speaker systems, hot tubs, radio controlled devices, security devices and lawn irrigation systems. This list is non-exhaustive and may

include other items as well.

- 2.3 Any damage caused by termites or other wood destroying insect or organism is excluded.
- 2.4 The determination of the indoor air quality or sickness of any building including, but not limited to, the presence or absence of all manner of biological activity, such as molds, insects, birds, pets, mammals, and other flora and fauna, and their consequent physical damage, toxicity, odors, waste products, and noxiousness.
- 2.5 The use of special instruments or testing devices, such as amp meters, pressure gauges, moisture meters, gas detectors, carbon monoxide detectors and similar equipment is not required.
- 2.6.1 The inspection is not required to include information concerning the property's geological, environmental or hazardous waste conditions, manufacturer recalls , or information contained in consumer protection bulletins.
- 2.6.2 The inspection is not required to include information from any source concerning past or present violations of codes, ordinances, or regulations.
- 2.8 The inspection and report are opinions only, based upon visual observation of existing conditions of the inspected property at the time of the inspection. **THE REPORT IS NOT TO BE CONSTRUED AS A GUARANTEE, WARRANTY, OR INSURANCE OF ANY TYPE.** The Inspector will not be responsible for any repairs or replacements with regard to the property or the contents thereof.
- 2.9 The Inspector is not required to determine property boundary lines or encroachments.
- 2.10 The inspector is not required to provide an inspection of any common component or system (such as in condominiums), or evaluate condominium reserve accounts.
- 2.11 The inspector is not required to enter any premises suspected to pose a physical threat to the safety of the home inspector or others.
- 2.12 The inspector is not required to inspect any area or component that may pose a danger to the inspector or others.

3. Site

3.1 Components for Inspection.

- 3.1.1 Building perimeter, land grade, and water drainage directly adjacent to the foundation.
- 3.1.2 Trees and vegetation that adversely affect the structure.
- 3.1.3 Walks, grade steps, driveways, patios, and retaining walls contiguous with the structure.

3.2 Procedures for Inspection.

The Inspector shall:

- 3.2.1 Describe the type of material and inspect the condition of the driveways, walkways, grade steps, patios, and other items contiguous with the inspected structure.
- 3.2.2 Observe the drainage, grading, and vegetation for conditions that adversely affect the structure.

3.3 Limitations.

*The Inspector is **not** required to:*

- 3.3.1 Inspect fences or privacy walls.
- 3.3.2 Evaluate the condition of trees, shrubs, and or other vegetation.
- 3.3.3 Evaluate or determine soil or geological conditions, site engineering, or property boundaries.

3.3.4 Inspect outbuildings.

3.3.5 Inspect sea walls, break-walls, and docks.

4. Foundations

4.1 Components for Inspection.

4.1.1 Foundation walls, first-floor systems, other support and sub-structure components, stairs.

4.1.2 Ventilation (when applicable).

4.1.3 Grade slab and/or floor slab.

4.2 Procedures for Inspection.

The Inspector shall:

4.2.1 Describe the type of structure and material comprising the structure and other items inspected.

4.2.2 Observe the condition and serviceability of visible, exposed areas of foundation walls, on-grade slabs, bearing walls, posts, piers, beams, joists, trusses, sub-floors, chimney foundations, stairs, and other related structural components.

4.2.3 Inspect foundations for visible indications of flooding, moisture, or water penetration.

4.2.4 Observe sub-floor crawl space ventilation and vapor barriers.

4.2.5 Operate the sump pump if feasible.

4.2.6 Inspect the visible and accessible framing members.

4.2.7 Observe the visible condition of floor slab when present.

4.3 Limitations.

*The Inspector is **not** required to:*

4.3.1 Enter crawl spaces with a headroom of less than 3 feet, access of less than 18" x 24", spaces barred by obstructions, or other hazardous conditions.

4.3.2 Move personal property, debris or perform excavation to gain access.

4.3.3 Enter areas that, in the inspector's opinion, may contain conditions or materials hazardous to the health and safety of the Inspector.

4.3.4 Operate sump pumps.

5. Exterior

5.1 Components for Inspection.

5.1.1 Visible structural components.

5.1.2 Wall covering, trim, and protective coating.

5.1.3 Windows and doors.

5.1.4 Attached porches, decks, steps, balconies, handrails, guardrails, and carports.

5.1.5 Visible exterior portions of chimneys.

5.2 Procedures for Inspection.

The Inspector shall:

5.2.1 Describe the type and material comprising the exterior components inspected.

5.2.2 Observe the condition of the components from ground level.

5.2.3 Observe the condition of a representative number of visible windows and doors.

5.2.4 Inspect attached porches, decks, steps, balconies, handrails, and guardrails.

5.3 Limitations.

*The Inspector is **not** required to:*

- 5.3.1 Inspect buildings, decks, patios, retaining walls, and other structures detached from the house.
- 5.3.2 Evaluate function of shutters, awnings, storm doors, storm windows and similar accessories.
- 5.3.3 Inspect or test the operation of security locks, devices, or systems.
- 5.3.4 Evaluate the presence, extent, and type of insulation and vapor barriers in the exterior walls.
- 5.3.5 Examine the interior of the chimney flues or determine the presence or absence of flu liners.
- 5.3.6 Inspect for the presence of specialty type glass, integrity of thermal window seals, or damaged glazing not readily visible..

6. Roof Coverings, Flashings, Gutters, Downspouts and Roof Ventilation

6.1 Components for Inspection.

- 6.1.1 Roofing material.
- 6.1.2 Roof, rain gutter and downspout system.
- 6.1.3 Visible portions of roof flashings.
- 6.1.4 Roof ventilation.
- 6.1.5 Roof soffits and fascias.
- 6.1.6 Roof skylights and other roof components.

6.2 Procedures for Inspection.

The Inspector shall:

- 6.2.1 Describe the type of roofing and gutter material.
- 6.2.2 Observe the condition of visible roof material, rain gutter and downspout systems, visible portions of roof flashings, roof soffits and fascias, roof vents, skylights and other roof accessories visible from the exterior.
- 6.2.3 Where feasible, inspect the roof surface and components from arms-length distance or with binoculars from the ground.
- 6.2.4 Inspect low pitch roofs when internal hatches are readily and safely accessible.
- 6.2.5 Report presence of roof and attic ventilation.

6.3 Limitations.

*The Inspector is **not** required to:*

- 6.3.1 Walk on or access a roof where in the inspector's opinion the action could result in damage to the roof or roofing material, or present unsafe conditions for the Inspector.
- 6.3.2 Remove snow, ice, debris or other conditions that prohibit the observation of the roof surfaces.
- 6.3.3 Inspect internal gutter and downspout systems and/or related subsurface drainage piping.
- 6.3.4 Inspect antennas, lightning arresters, satellite dishes, or similar devices.

- 6.3.5 Operate powered roof ventilators.
- 6.3.6 Determine remaining life expectancy of roof coverings, evaluate presence or absence of hail damage, assess manufacturers' defects, exceptions, installation methods or recalls, or determine the number of layers.
- 6.3.7 Determine adequacy of roof ventilation.

7. Roof Structure, Attic and Insulation

7.1 Components for Inspection.

- 7.1.1 Roof framing, sheathing and decking.
- 7.1.2 Attic insulation.

7.2 Procedures for Inspection.

The Inspector shall:

- 7.2.1 Describe the type of material comprising the roof framing in the visible and accessible attic area.
- 7.2.2 Observe the condition of the visible roof structure and attic components where readily and safely accessible.
- 7.2.3 Investigate evidence of the presence of water penetration.
- 7.2.4 Determine the presence of attic insulation type and approximate depth.

7.3 Limitations.

*The Inspector is **not** required to:*

- 7.3.1 Enter attic spaces with headroom of less than 5 feet, or with insulation covering wood framed ceilings, or containing obstructions to free access or other conditions deemed to impose a safety concern to the Inspector.
- 7.3.2 Break or otherwise damage the surface finish or weather seal on or around access panels and covers.

8. Attached Garage(s)/Carport(s)

8.1 Components for Inspection.

- 8.1.1 Exterior and interior walls and ceilings, floors, windows, doors, roof, and foundation.
- 8.1.2 Electrical system and components.
- 8.1.3 Plumbing system and components.
- 8.1.4 Heating systems for heating the home.

8.2 Procedures for Inspection.

The Inspector shall:

- 8.2.1 Describe the type of door(s), exterior walls, roof (if applicable), and other items to be inspected.
- 8.2.2 Observe the condition and function of listed components; electric, plumbing, heating and related systems.
- 8.2.3 Inspect vehicle doors for general condition, and intended function by manual operation or by the use of permanently affixed opener(s).

8.3 Limitations.

*The Inspector is **not** required to:*

- 8.3.1 Inspect or operate equipment housed in the garage area except as otherwise addressed in the Standards.
- 8.3.2 Verify or certify safe operation of any auto reverse or related safety function(s) of a vehicle door.

9. Electrical

9.1 Components for Inspection.

- 9.1.1 Entrance of the primary service from masthead to main panel.
- 9.1.2 Main and sub-panels including feeders.
- 9.1.3 Branch circuits, connected devices, and lighting fixtures.

9.2 Procedures for Inspection.

The Inspector shall:

- 9.2.1 Describe the type and location of primary service (overhead or underground), number of conductors into the home, amperage, and over-current protection devices (fuses or breakers).
- 9.2.2 Observe the presence of a connected grounding conductor where readily accessible.
- 9.2.3 Inspect the main and branch circuit conductors and over-current protection device condition by visual observation by removal of accessible main and sub-panel cover(s).
- 9.2.4 Report the presence of aluminum branch circuit wiring at the main and sub-panels.
- 9.2.5 Verify operation of a representative number of accessible switches, receptacles and light fixtures.
- 9.2.6 Verify grounding and polarity for a representative number of receptacles near plumbing fixtures and on the exterior if present.
- 9.2.7 Verify operation of ground fault circuit interrupters (GFCI), if present.
- 9.2.8 Observe the general condition of visible branch circuit conductors that may constitute a hazard due to improper application or installation of such.

9.3 Limitations.

*The Inspector is **not** required to:*

- 9.3.1 Insert any tool, probe or testing device into the main or sub-panels.
- 9.3.2 Activate electrical systems, branch circuits, or over-current protection devices that are not energized.
- 9.3.3 Operate overload protection devices for function.
- 9.3.4 Inspect ancillary systems, including but not limited to: burglar alarms, home protection systems, low voltage relays, smoke/heat detectors, antennas, electrical de-icing tapes, lawn sprinkler wiring, swimming pool wiring, or any systems controlled by timers.
- 9.3.5 Move any personal items, furniture, or appliances to gain access to any electrical component.
- 9.3.6 Test every switch, receptacle, and fixture.
- 9.3.7 Remove switch and outlet cover plates.
- 9.3.8 Inspect electrical equipment not readily accessible or dismantle any electrical device or control.

9.3.9 Verify continuity of connected service ground(s).

10. Plumbing

10.1 Components for Inspection.

- 10.1.1 Visible water supply lines.
- 10.1.2 Visible waste/soil and vent lines.
- 10.1.3 Fixtures and faucets.
- 10.1.4 Domestic hot water system and fuel source.

10.2 Procedures for Inspection.

The Inspector shall:

- 10.2.1 Describe the material of the main line and water supply lines.
- 10.2.2 Verify the presence of a main water supply valve.
- 10.2.3 Describe the type of sanitary waste piping.
- 10.2.4 Describe the type and capacity of domestic water heating unit(s).
- 10.2.5 Inspect the condition of accessible and visible water and waste lines.
- 10.2.6 Inspect and operate fixtures and faucets.
- 10.2.7 Inspect the domestic hot and cold water supply system where visible.
- 10.2.8 Inspect and operate drain pumps and waste ejector pumps when feasible.
- 10.2.9 Test the water supply for functional flow.
- 10.2.10 Test waste lines from sinks, tubs and showers for functional drainage.

10.3 Limitations.

*The Inspector is **not** required to:*

- 10.3.1 Operate any main, branch or fixture valve, except faucets, or determine water temperature.
- 10.3.2 Inspect any system that is shutdown or secured.
- 10.3.3 Inspect any plumbing components not readily accessible.
- 10.3.4 Inspect any exterior plumbing components or exterior drain systems.
- 10.3.5 Inspect interior fire sprinkler systems.
- 10.3.6 Evaluate the potability of any water supply.
- 10.3.7 Inspect water conditioning equipment, including the softener and any filtering systems.
- 10.3.8 Operate freestanding or built-in appliances.
- 10.3.9 Inspect, test, or evaluate private water supply systems such as wells, pressure holding tanks, pumps and related equipment.
- 10.3.10 Test shower pans, tub and shower surrounds, or enclosures for leakage.
- 10.3.11 Inspect gas supply system for materials, installation or leakage.
- 10.3.12 Inspect and operate fixtures and faucets if the outlet of the faucet is connected to an appliance.
- 10.3.13 Determine the presence of or record the location of any on-site fuel tanks within or directly adjacent to structure.
- 10.3.14 Inspect solar-powered water heating systems or components.
- 10.3.15 Inspect lawn irrigation systems.

10.3.16 Determine the quantity or quality of the water supply.

10.3.17 Inspect private waste disposal systems such as cesspools, septic tanks, drain fields, related underground piping, conduit, cisterns, and equipment.

11. Central Heating

11.1 Components for Inspection.

11.1.1 Fuel type.

11.1.2 Heating equipment.

11.1.3 Heating distribution system.

11.1.4 Operating controls.

11.1.5 Flue pipes, chimneys and venting.

11.1.6 Auxiliary heating units.

11.2 Procedures for Inspection.

The Inspector shall:

11.2.1 Describe the type of fuel, heating equipment, and heating distribution system.

11.2.2 Operate the system using installed accessible control devices.

11.2.3 Open access panels or covers provided by the manufacturer or installer, if accessible.

11.2.4 Observe the operating condition of controls and components of the systems.

11.2.5 Observe visible flue pipes, dampers and related components for operation.

11.2.6 Observe the presence of a representative number of heat sources in each habitable space of the house.

11.2.7 Inspect the operation of fixed supplementary heat units. See 2.6 for clarification.

11.3 Limitations.

*The Inspector is **not** required to:*

11.3.1 Activate or prepare for operation any heating or other system that do not respond to normal controls or have been shut down.

11.3.2 To inspect or evaluate a heat exchanger.

11.3.3 Dismantle any equipment, controls, or gauges.

11.3.4 Inspect the interior of chimney flues or vent pipes.

11.3.5 Inspect heating system accessories, such as humidifiers, air purifiers, electronic air filters, motorized dampers, heat recovery ventilators, etc.

11.3.6 Inspect solar heating systems.

11.3.7 Activate heating, heat pump systems, or any system when ambient temperatures or circumstances are not conducive to safe operation or may damage the equipment.

11.3.8 Evaluate the type of material contained in insulation and/or wrapping of pipes, ducts, jackets and boilers.

11.3.9 Operate digital-type thermostats or controls which do not respond due to battery or other failure.

11.3.10 Evaluate the capacity, adequacy, or efficiency of a heating system.

11.3.11 Test or operate gas logs, built-in gas burning appliances, grills, stoves, space heaters, or solar heating devices.

11.3.12 Determine clearance to combustibles or adequacy of combustion air.

12. Central Air Conditioning**12.1 Components for Inspection.**

- 12.1.1 Cooling equipment.
- 12.1.2 Cooling distribution.
- 12.1.3 Operating controls.

12.2 Procedures for Inspection.*The Inspector shall:*

- 12.2.1 Describe the type of central air conditioning system or through-wall units and their energy sources.
- 12.2.2 Operate the system using installed control devices.
- 12.2.3 Open readily accessible access panels or covers provided by the manufacturer or installer, if readily accessible.
- 12.2.4 Observe the functioning condition of controls and operative components of the system, conditions permitting.
- 12.2.5 Observe the condition of a representative number of the central air cooling outlets in each habitable space of the house.

12.3 Limitations.*The Inspector is **not** required to:*

- 12.3.1 Activate or operate cooling or other related systems that have been shut down.
- 12.3.2 Inspect gas-fired refrigeration systems, evaporative coolers, or window-mounted air conditioning units.
- 12.3.3 Check the pressure of the system's refrigerant or determine the presence of leakage.
- 12.3.4 Evaluate the capacity, efficiency, or adequacy of the system.
- 12.3.5 Operate equipment or systems if exterior temperature is below 60 degrees F or other circumstances exist that may prevent safe operation or may damage the equipment.
- 12.3.6 Remove covers or panels that are not readily accessible.
- 12.3.7 Dismantle any equipment, controls, or gauges.
- 12.3.8 Check the electrical current drawn by the unit.
- 12.3.9 Operate digital-type thermostats or controls if due to battery failure.

13. Interior**13.1 Components for Inspection.**

- 13.1.1 Walls, ceilings, floors, windows, and doors.
- 13.1.2 Steps, stairways, balconies, railings.
- 13.1.3 Fireplaces.

13.2 Procedures for Inspection.*The Inspector shall:*

- 13.2.1 Observe the visible condition of the surfaces of walls, ceilings, and floors relative to structural integrity and evidence of water penetration.
- 13.2.2 Verify the presence of steps, stairways, balconies, handrails and guardrails and observe their condition.

- 13.2.3 Describe type, material and operational condition of a representative number of windows, doors and their hardware.
- 13.2.4 Inspect the exterior condition of the kitchen cabinets and countertops.
- 13.2.5 Observe the condition of fireplaces, dampers, fireboxes and hearths that are visible.

13.3 Limitations.

*The Inspector is **not** required to:*

- 13.3.1 Ignite fires or perform a chimney smoke test in a fireplace or heating a stove to determine the adequacy of draft, or inspect any solid fuel device when in use.
- 13.3.2 Evaluate the installation or adequacy of inserts, wood burning stoves, or other modifications to a fireplace, stove, or chimney.
- 13.3.3 Determine clearance to combustibles in concealed areas.
- 13.3.4 Observe the cosmetic condition of ceilings, walls, floor coverings, and related components.
- 13.3.5 Determine if the bath and/or kitchen exhaust fan ducts to the exterior.
- 13.3.6 Inspect the interiors of vent pipes or chimneys.
- 13.3.7 Inspect fire screens and doors.
- 13.3.8 Inspect seals or gaskets.
- 13.3.9 Inspect automatic fuel feed devices.
- 13.3.10 Inspect heat distribution auxiliary fans.

GLOSSARY OF TERMS

Activate: To turn on, supply power, or enable systems, equipment, or devices and operate by installed control devices. Examples include turning on the gas or water supply valves to the fixtures and appliances and activating electrical breakers or fuses.

Additional Inspection Services: Those services offered in addition to the home inspection as defined in these standards, including but not limited to the wood destroying insects/organisms and environmental testing.

Adversely Affect: Constitute, or potentially constitute, a negative or destructive impact.

Appliance: A household device operated by use of electricity or gas. Not included in this definition are components covered under central heating, central cooling, or plumbing.

Component: A part of a system.

Detrimental Conditions: Any conditions that, in the opinion of the inspector, may be unsafe, unhealthy, or harmful to the inspector or to components of the property.

Describe: To distinguish from another system or component.

Dismantle: To take apart or remove any component, device or piece of equipment that would not be taken apart or removed in the course of normal and routine homeowner maintenance.

Evaluate: To ascertain, judge, or form an opinion about an item or condition.

Foundation: The base upon which the structure or a wall rests, usually masonry, concrete, or stone, and generally partially underground.

Function: The action for which an item, component or system is specially designed used or for which an item, component or system exists; to be in action or perform a task.

Functional: Performing, or able to perform, a function.

Functional Drainage: A drain is functional when it empties in a reasonable amount of time and is not subject to overflow when one of its supply faucets is left on.

Functional Flow: Sufficient water flow to provide uninterrupted supply to the highest unrestricted tap (faucet furthest from the source) when a single intermediate, unrestricted tap is operated simultaneously with uninterrupted flow.

Further Evaluation: Examination and analysis by a qualified professional or service technician beyond that provided by the home inspector.

Habitable: In a condition suitable for human habitation.

Habitable Spaces: Rooms or spaces used for sitting, sleeping, bathing, toilets, eating or cooking. Not considered habitable spaces by these Standards are closets, halls, storage spaces and utility areas.

Heat Source: A heat source may be a radiator, convector unit, radiant panel, heat pipe, ductwork, grille, register, or other device(s) from which heat is intended to be emitted.

Home Inspection: The process by which an inspector visually examines the readily accessible systems and components of a home and operates those systems and components utilizing the Standards of Practice as a guideline.

Household Appliance: Kitchen, laundry, and similar appliances, whether installed or free-standing

Inspect: To evaluate carefully without use of technically exhaustive methods.

Inspected Property: The readily accessible areas of the buildings, site, items, components, and systems included in the inspection.

Intended Function: Performing or able to perform the usual function for which an item is designed, or fitted, and be in a condition (state of repair) appropriate to this function, its age and location. [See Function]

Observe: To see through visual directed attention.

Operate: To cause equipment or systems that have been activated to perform their intended function(s), such as turning on a water faucet or turning up the thermostat on an activated heating system.

Readily Accessible: An item or component is readily accessible if, in the judgment of the inspector, it is capable of being safely observed without movement of obstacles, detachment or disengagement of connecting or securing devices, or other unsafe or difficult procedures to gain access.

Report: To communicate in writing.

Representative Number: A sufficient number to serve as a typical or characteristic example of the item(s) inspected.

Shut down: A system or equipment is considered to be shut down when its normal control device(s) will not cause it to become activated or operational. The Inspector is not required to activate or operate safety devices (fuses, breakers, etc.) in the "off" position. It is not the responsibility of the Inspector to put these controls in the "on" mode, nor to ensure that the equipment or systems to be tested are operable at the time of the inspection.

Slab on Grade: Structures that have no crawl space and are in direct contact with the soil. Slabs may or may not have supporting piers or pads.

Technically exhaustive: An inspection is technically exhaustive when it involves the use of measurements, instruments, testing calculations and other means to develop scientific or engineering findings, conclusions, and recommendations.

Verify: To confirm or substantiate.

MichAHI Code of Ethics



To maintain professionalism in all aspects of the home inspection practice, and to act as an unbiased third party in any real estate transaction. Members of the Michigan Association of Home Inspectors shall abide by the following Code of Ethics:

1. Home inspection services provided by the inspector to the client(s) shall conform to the Standards of Practice set forth by the Michigan Association of Home Inspectors.
2. The Inspector shall not accept compensation for a home inspection from more than one party without written disclosure to the Inspector's client.
3. Inspectors shall not directly or indirectly compensate real estate agents, or other parties having a financial interest in real estate transactions, for the referral of inspections or for the inclusion on a list of recommended inspectors or preferred providers, or for similar arrangements.
4. The Inspector shall not conduct a home inspection or prepare a home inspection report for which any compensation or future referral is contingent upon the conclusions of the report.
5. The Inspector shall perform services and express opinions based on genuine conviction and only within their areas of education, training, or experience.
6. The Inspector shall be objective in their reporting and not knowingly understate or overstate the significance of reported conditions.
7. The Inspector shall not disclose inspection results or client information without client approval. The Inspector may, at his discretion, disclose observed immediate safety hazards to occupants exposed to such hazards.
8. Advertising, marketing, and promotion of the inspectors' services or qualifications shall not be fraudulent, false, deceptive, or misleading.
9. The inspector shall not discriminate against any person on the basis of age, race, color, religion, sex, handicap, family status, national origin or any other status protected by Michigan law.
10. The Inspector may recommend or offer products or additional services to the client consistent with the provisions of this Code of Ethics. The inspector shall advise the client to obtain competitive bids, and shall make a written disclosure to the client of the inspector's interest in the transaction if such services or products are:
 - a. to be purchased from or provided by the Inspector, their agents or employees;
 - b. to be purchased from or provided by any entity, organization, or venture in which the Inspector has an interest; or
 - c. will result in any compensation of benefit to the Inspector, financialy or otherwise.
11. Inspectors shall report any violations of this code to the Board of Directors of the Michigan Association of Home Inspectors.